



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 10, 1998

S. 2217

Federal Research Investment Act

*As ordered reported by the Senate Committee on Commerce, Science, and Technology
on July 29, 1998*

SUMMARY

S. 2217 would authorize appropriations for fiscal years 1999-2010 for civilian research and development (R&D) activities at 14 agencies. Instead of authorizing separate amounts for individual agencies or programs, the bill would establish a single annual lump-sum authorization covering the R&D activities at the designated agencies. The bill would authorize the appropriation of \$37.7 billion for these activities for 1999 and would increase the total amount authorized by 5.5 percent a year for the following 11 years. Other provisions would direct agencies to develop and implement methods of evaluating R&D programs, based in part on a \$600,000 study to be done by the National Academy of Sciences (NAS).

Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost a total of \$177 billion over the 1999-2003 period and an additional \$440 billion after 2003. The bill would not affect direct spending or receipts; as a result, pay-as-you-go procedures would not apply. S. 2217 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2217 is shown in Table 1. The costs of this legislation fall within budget functions 250 (general science, space, and technology), 300 (natural resources and the environment), 350 (agriculture), 370 (commerce and housing credit), 400 (transportation), 500 (education, training, employment, and social services), 550 (health), and 750 (veterans benefits and services).

Table 1. Estimated Budgetary Impact of S. 2217

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
R & D Spending Under Current Law						
Budget Authority ^a	34,820	0	0	0	0	0
Estimated Outlays	33,651	18,663	4,183	1,215	189	59
Proposed Changes						
Authorization Level	0	37,721	39,790	41,980	42,290	46,720
Estimated Outlays	0	17,201	34,045	39,195	41,561	44,108
R & D Spending Under S. 2217						
Authorization Level ^a	34,820	37,721	39,790	41,980	42,290	46,720
Estimated Outlays	33,651	35,864	38,228	40,410	41,750	44,167

a. The 1998 level is based on the Office of Management and Budget's estimate of the funding for R&D activities at the designated agencies for that year. The 1998 total includes \$318 million for R&D at the Federal Highway Administration that was provided as contract authority (a form of direct spending).

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that the authorized amounts will be appropriated for each year and allocated among agencies and programs according to the distribution of funding for the civilian R&D programs at the designated agencies in 1998. This estimate also assumes that the NAS study will be completed during fiscal year 2000. Table 2 shows the Office of Management and Budget's estimate of the amounts allocated for R&D for the 14 agencies in 1998. These data suggest that rate of spending for the bill's lump-sum authorization levels would largely be determined by trends at the National Institutes of Health, the National Aeronautics and Space Administration, the Department of Energy, and the National Science Foundation.

Table 2. Estimated Budget Authority for 1998 for R&D Activities Authorized by S. 2217
(Millions of dollars)

National Institutes of Health	13,124
National Aeronautics and Space Administration	9,752
Department of Energy (civilian R&D)	3,465
National Science Foundation	2,607
Department of Agriculture	1,559
Department of Transportation	676
Environmental Protection Agency	637
Department of the Interior	609
Veterans Administration	608
National Oceanic and Atmospheric Administration	578
National Institute for Standards and Technology	492
Centers for Disease Control	358
Department of Education	209
Smithsonian Institution	<u>146</u>
Total	34,820

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2217 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Currently, about \$12.4 billion of the research and development budgets of the agencies affected by this bill goes to academic institutions, including public universities.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill would impose no new private-sector mandates as defined in UMRA.

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